

REPORT

14

OF THE COMMITTEE OF

WAYS AND MEANS

TO WHOM WAS REFERRED SO MUCH OF THE GOVERNOR'S MESSAGE
AS RELATES TO THE SUBJECT OF

FINANCE.

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Mr. READ, Chairman.

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READ IN THE HOUSE OF REPRESENTATIVES,
MARCH 22, 1833.

HARRISBURG:

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REPORT, &c.

The committee of ways and means, to whom was referred so much of the Executive Message as relates to the subject of finance, REPORT:

That they have had the subject under consideration, and have not failed to perceive, that under existing circumstances, it is a subject of all absorbing interest to the community. The committee has also noticed, that in reference to this subject, much misapprehension and error is pervading the minds of many citizens of the commonwealth; that being a subject too abstruse and complicated, to be fully investigated in the time that can be spared from the ordinary avocations of life, by the great majority of the people, the timid politician and the cursory observer have taken such an indistinct view of its outlines, as to alarm themselves and their neighbors; while the interested and designing politician, has seized upon it as a political lever, to move the passions and raise a general panic. The subject of finances not having been generally understood, and often having been wilfully misrepresented, some despondency has been felt, and some fears have been, and perhaps are entertained, of state insolvency, or at least of impaired credit and perplexing embarrassments.

The executive department informs us, that the treasury, at the present time, "exhibits a state of prosperity highly propitious to the credit of the commonwealth," and "dispenses with the necessity, at present, of forming plans for the future increase of the state revenues." And your committee cannot but congratulate the House, upon the unexampled prosperity of our financial condition, as demonstrated by the fact, that the requisite loans are obtained, at a higher premium than has ever been received by the similar operations of any state or country; and upon the immeasurable benefits, which are reasonably and confidently anticipated to result to the community, from the expenditure of large sums of money in public improvement. To counteract the deleterious effects of misapprehension, misrepresentation and error, upon a subject, though not generally understood, yet universally and personally interesting to every citizen of the state—to shew that there is no foundation in fact, for apprehension and despondency, and to correct the errors afloat in reference to this subject—to corroborate the sentiments expressed by the fiscal department—to compare the resources of the commonwealth with the liabilities incurred, and thereby exhibit the solid foundation on which the public credit is based—and to justify the congratulations tendered, by demonstrating the truth of the position, that the *national wealth*

of Pennsylvania has not been diminished, but on the contrary, has been increased and permanently secured, (provided the original design be consummated) by the expenditure, or, rather, by the *investment* of large sums of money; have been embraced in the purposes of your committee, on the present occasion. In what degree these purposes and intentions have been realized, is most respectfully submitted to the House, and to the country.

As the ordinary revenues of the state, independent of the additional supplies provided by the act of 1830, are more than sufficient to meet the ordinary expenses of the government, it is not deemed necessary by the committee, to consider the subject of finance, in any other point of view than, 1st, with reference to those measures, which have induced a resort to a system of loans, for the purpose of maintaining the character and dignity of the state in its national capacity, and of increasing the wealth and promoting the prosperity and happiness of its citizens in their individual capacities. And, secondly, in reference to those measures rendered necessary to secure the payment of the interest on those loans.

Much difficulty has occurred in the science of political economy for the want of technical terms, and undisputed definitions. The term wealth for instance, has been applied to states or nations, and has been understood by the great mass of mankind in the same sense in which it is used when applied to an individual, when no two things can be more distinct than the wealth of a nation and the wealth of an individual. He therefore who talks about national wealth without making the proper distinction, will just as certainly come to an erroneous conclusion as he who leaves out one term in a mathematical calculation. It has been perhaps unfortunate that the term wealth was ever applied to a nation, or that some other term had not been invented and appropriated to the idea, which we attach to the term, individual wealth. But as we have only one word for two distinct ideas, it becomes necessary to the correct understanding of a subject, requiring its use, to give clear and distinct definitions of its meaning, when used for different purposes. *Individual wealth is such an accumulation of property as will enable a man to procure the necessities and comforts of life without his own labor, mental or manual.* Every man thus situated is termed wealthy, while no man, who is *obliged* to cultivate his farm, superintend mercantile operations, or exercise his trade or profession, whatever may be his ability to acquire property, can be so denominated. Individual wealth may consist of lands, money, or other property; but in order to constitute wealth, it must be convertible into the necessities and comforts of life at the pleasure of the possessor. If a man has millions of acres of land, which he can neither sell nor rent; or if he is master of the mines of Mexico, and can neither loan his money nor exchange it for the necessities and comforts of life, he is absolutely destitute of wealth. So he may, by means of a profession or otherwise, pos-

ness the ability to acquire those necessities and comforts in the greatest profusion, yet if his income does not accumulate so as to enable him to receive them, by the use, sale or exchange of property, he is equally destitute of wealth. Thus we have a correct definition and perception of the term, as applied to an individual. In this sense of the term a nation, (considered as it should be, a unity, with a unity of rights, possessions and interests,) cannot possess wealth. No nation ever has accumulated, or ever can accumulate so much property, as would furnish it with the necessities and comforts of life, for a month, or a week, without industry. A nation cannot sustain existence, as such, without labor; it cannot rent or sell its territory without committing political suicide; and if it had mountains of gold and silver, the shipping of the world, constantly employed, could not import the necessities and comforts of life required, nor would the surplus productions of all other nations constitute the necessary supplies. It is evident, therefore, that a nation must sustain itself by its labor, its active industry, or it must cease to be. It cannot, for the shortest period of time, rely upon accumulated treasure; it cannot possess wealth, as that term is applied to an individual. What, then, is national wealth? *It is a capacity to acquire, by its own exertions, the necessities and comforts of life.* It is rather a faculty, than a possession. It does not depend on the greater or smaller amount of the precious metals, (the representatives of necessities) that may be deposited in a public treasury, nor does it depend on the accumulation of surplus productions, as that surplus can never bear any comparison with the wants of a nation or state. It may be affected in some degree by salubrity of climate and fertility of soil, but it cannot chiefly depend on these; or else why do we see Holland, (originally a cold and unproductive marsh,) overflowing with national wealth and prosperity, while Spain with the finest climate and most luxuriant soil, is poor, and weak, and wretched in a national point of view? Why do we see New Hampshire with its long winters, its rugged climate and its sterile granite surface, enjoying a high degree of national wealth, while Georgia and the Carolinas are groaning under the pressure of national poverty and threatened bankruptcy, notwithstanding their advantages of climate and productiveness of soil? It is the difference in national industry, it is labor, the employment of the bone, the sinews, the faculties of man that has produced this difference of condition. What has multiplied the population, enhanced the value of land, increased the agricultural productions, doubled the necessities and comforts of life, and trebled national wealth and resources in the states of New York and Ohio, but the new impetus given; the active stimulant applied to national industry, by the loaning and expenditure of large sums of public money in the construction of valuable improvements? Thereby aiding and fostering individual enterprize.

National industry may be more materially affected by measures of government, and before we determine what effect any measure

may have, in respect to national wealth, we must institute the inquiry, what will be its influence on national industry. The *same* measures may promote both individual and national wealth, but not *necessarily*. The encouragement of lotteries, of the manufacture and distribution of ardent spirits, or of a slave trade, may, usually does produce great individual wealth; while the consequences to national prosperity are deleterious in the extreme. This results from the paralyzing influence of these and similar pursuits on honest industry, the cultivation of the earth, and the development of its exhaustless treasures. The sentence has been pronounced, that "man shall eat his bread in the sweat of his brow," and if some individuals have escaped the penalty, *no nation can avoid the sentence*. The earth is the only fountain, labor, mental or manual, the only cause of national wealth, it does not depend on local situation, luxuriance of soil, the possession of capital, or surplus productions, as has been shewn.

It follows then as a sequence, that whatever measures promote the industry, necessarily increase the national wealth of Pennsylvania. If she expends a million of dollars in public improvements, or otherwise, and thereby increases industry, to the amount of a million and an half, she is the gainer by half a million, notwithstanding the removal of the specie from her vaults. That active industry has been promoted and increased in this state, by an amount, which is represented by many millions of dollars, by the construction of our public works, no one will pretend to deny, as it must be admitted, that while the labor was being performed on those works, the creation of a home market perceptibly augmented the quantum of mechanical and agricultural industry, in the commonwealth. Thus it would appear that our works, even now while in an unfinished state, have actually increased the wealth of the state, notwithstanding the amount of debt. Even war, with all its desolating and lamentable consequences, may, and often does augment the wealth of a nation, by administering a powerful stimulant to industry, altho' the money expended perishes in the using, and leaves nought behind but the monuments of folly or ambition. The English wars furnish striking examples of this truth. Industry is promoted by the additional demand for labor, by calling into action the dormant energies of the nation; for every nation possesses a vast amount of unexpended labor, or in other words, a vast number of people who are idle a part or the whole of their time. But your committee are not the advocates of war for this purpose, being well aware that the nameless evils of a belligerent attitude greatly overbalance the benefits of increased industry, and national wealth. Not so with expenditures for public improvements, they possess all the advantages of a war expenditure, with none of its disadvantages; and hence there is not an instance on record of a public improvement without the augmentation of national wealth, that is, an increased capacity to acquire the necessaries and comforts of life.

Nothing can be clearer, than that independently of the labor of construction, and the incalculable amount of active industry created in the development and distribution of our mineral treasures, agricultural and mechanical labor has been increased, by an amount sufficient to produce the necessaries of life, for so many laborers as have been actually employed on those works and in the coal trade. Because the necessaries of life have not become scarce, and if they bear a higher price this is not attributable to scarcity, but to the increased facilities of sending them away, for foreign consumption. It therefore follows that there has been a greater production; consequently Pennsylvania has increased her national wealth. This better access to foreign markets will continue "in all time to come" to stimulate the farmer and mechanic, to extend cultivation and multiply productions, presenting new and strong motives to employ idle men and unexerted strength, in all places abundant. And the patriot luxuriates in the anticipation of the countless blessings to result from his philanthropic exertions. National wealth consists in the production, not in the accumulation of the necessaries and comforts of life, as some writers have supposed—indeed the direct and palpable effect of accumulation, is to encourage idleness, paralyze industry and decrease a nation's wealth, always, and under all circumstances, depending on the amount of labor, compared with the number of persons to be sustained. National wealth is not *necessarily* affected by the existence of a national debt, which may indeed, cause the wealth to flow in a different channel, but cannot diminish its amount, unless it becomes so enormous, (as is the case with the English debt,) that the expenses of collecting the interest from one portion, and distributing it to another portion of the citizens, becomes oppressive to the people. In any other case, national wealth and prosperity, are no more affected by the existence of a national debt, than is the wealth of an individual, by withdrawing his funds from one bank, and depositing them in another. Your committee does not adopt the maxim that "a national debt is a national blessing," the maxim is not true in the abstract. A national debt may be a great national curse, but it is not *necessarily* so. A government or nation, or state, is an artificial being, created for the benefit, and intended to concentrate the energies of the people. An agent or factor, the mere creature of an indefinite number of human beings, and bound to promote the interests of the principal, from whom it derives its existence. It might as well be contended that an individual can in no case promote his own interests, by a transaction necessarily incurring a debt, as that the agent of the people cannot, under any circumstances, advance the general interest of society, by measures resulting in a state debt. It is of no importance what amount of liability is incurred, by the corporate artificial agent, provided it promotes the prosperity and happiness of the people. Any debt contracted by a state, within the compass of its resources, and the proceeds judiciously

expended in bettering the condition of the people, by creating domestic, and opening communications with foreign markets, and in stimulating national industry, is a national blessing; or more correctly speaking, *the concomitants of the debt are national blessings*. Such, in the opinion of the committee, is the state debt of Pennsylvania.

Some have been alarmed at the idea of "bequeathing to posterity an onerous public debt." This idea, as it is commonly received, is a mere chimera of the imagination. The thing is utterly, naturally impossible. The credit side, as well as the debit side of the account, must descend to a subsequent generation. The effect of a national debt, may be, to require one portion of posterity to pay a sum of money, or the interest of it, to another portion of posterity. If money is to be paid by our descendants, an equal sum is to be received by them. If the money be by us expended, in permanent improvements, those of our descendants who may be required to pay, will have received a valuable consideration, and will therefore be indebted; and those who receive will be of the same generation, and will have inherited the boon from the same age which transmitted the liability to pay. Where, then, is the injustice complained of? There is not the slightest. To require future generations to pay to us, or for our use, is an impossibility. A nation is a unity, and the liability of one integral part, to pay to another, cannot, in the slightest degree, affect the wealth of that unity.

Your committee are anxious further to remove the prejudices that may, and undoubtedly do exist on the subject, by considering it in a strictly pecuniary point of view, and by presenting the public expenditures merely as an investment, isolated from all the benefits anticipated in reference to the character of the state, the effect on national industry, the enhanced value of real and personal property, and the increase of individual wealth. In doing so, however, your committee will take it for granted, that the original design of the fathers of our improvement system, is to be carried into effect; that the *waters* of the Delaware and Lake Erie are to be united. The "first impetus," as has been said, was given to the "splendid project" by the canal convention of 1825. But what gave the first impetus to the spirit of improvement in Pennsylvania? What roused the people on the subject? What induced their primary movements,—the election of delegates to assemble in convention! The notorious fact, palpably visible to the most superficial observer, that while public improvements were projected and being executed in New York, Ohio, Maryland, New Jersey, and many other states, it would be utterly impossible for Pennsylvania, (possessing as she did, wealth and resources beyond any state in the Union) to maintain her high character and "noble bearing," in the sisterhood of the states, if she longer neglected to join in the march of improvement. Penetrated with these views, and instructed by the people, with scarcely a dissenting voice, the

the delegates,—the sages of the commonwealth,—assembled in convention, at Harrisburg. In that convention, comprising, as is universally acknowledged, the collected wisdom of the commonwealth, was concocted the spirit of improvement which had agitated and moved the people—was digested and arranged, a system of improvement highly interesting to the state, and without which, she must have gradually sunk into obscurity and contempt; must have become, comparatively speaking, a dreary and a desolate waste, in the midst of rich, flourishing and happy republics. It was more a matter of necessity, than choice, that urged Pennsylvania into these measures. The convention of 1825 saw, with a prophetic vision, the proud monuments of a nation's glory,—the splendid improvements,—springing into being along our borders, to the north and the south, to the east and the west, the direct tendency of which, must be, to paralyze our national industry, to cramp our energies, to reduce the value of our lands, to prevent the settlement of our forests, to entice away our citizens, and in a measure, to depopulate our country; unless these injurious, these appalling results could be counteracted by corresponding improvements in the physical and political condition of Pennsylvania. It was not a spirit of envy, but of honorable and glorious competition, and a necessity of self preservation, that actuated the convention in its examination of the premonitory symptoms of disease and decay in the body politic, and induced the search, the discovery, and the recommendation of the only antidote that could restore us to political health and vigor. That antidote to premature decay and national dotage, was nothing short of the construction of an *entire, uninterrupted water communication* between the river Delaware and Lake Erie, “by the best and most feasible route.” That such was, in truth and in fact, the object designed by the original projectors and friends of the internal improvement system of Pennsylvania, your committee need not stop to demonstrate, other, than by a reference to the proceedings of the convention, to the responses of the people, to numerous acts of Assembly on your statute books, and to all the records and documentary evidence on the subject, in the legislative archives, & Pennsylvania library. This policy has been approved and sustained by successive Legislatures, coming fresh from the people, down to the present time—temporarily suspended, it is admitted, by sectional feelings and local prejudices, but in the main adhered to and cherished by the sovereign people. And especially too, when we reflect and are satisfied, that the motives and the necessity which now urge us on to the final completion of the works, originally designed, are stronger, and more imperative than those which first awakened our slumbering energies, and warned us of the dangerous consequences of continued inaction. When we reflect on the amount of treasure already expended, which must be accounted as measurably lost, if the improvements are to terminate with the present contracts, and the system to be abandoned; when it is recollected that such abandonment would *perpetuate* an onerous system of taxation on our citizens, without the hope of relief or mitigation; when we anticipate the deeper mortification we should feel at the taunts and sneers of our neigh-

bors, after having abandoned our boasted system of rival improvements, than we should have experienced if we had never been roused from our lethargy. When it is remembered, that a few of the public spirited citizens of Philadelphia, have, within the last few years, expended more than eight millions in public works, and that the great state of Pennsylvania, possessing as she does, taxable property to the value of more than three hundred millions, cannot shrink from an expenditure treble the amount of that of one of her towns; that our improvements, when finished, are to extend to the remotest corners of the commonwealth, and to unlock the agricultural and mineral treasures of every portion of our territory; that the consumption and demand for mineral coal outrun the supply, and will continue to do so for half a century to come; that Pennsylvania must furnish that indispensable article of life to nearly all the states in the confederacy, and to the British dominions, on the north; that the coal beds of Pennsylvania, without the means of sending them to market, are valueless from their inexhaustible abundance; but if unlocked, by a wise and fearless policy, those black masses are convertible into gold and silver, and what is still better, the necessities and comforts of life, becoming in fact, bottomless reservoirs of individual wealth, and never failing fountains of national resources. That the investment of capital in canals is no longer a matter of experiment, that the experiment heretofore made, in the state of New York has been successful, even beyond the warmest hopes of its most sanguine friends, without the advantages, to any considerable extent, of mineral wealth, for freight, which Pennsylvania possesses in a pre-eminent degree. That the Erie canal, during the progress of its construction, encountered an opposition, more determined, than has ever appeared in Pennsylvania in reference to her works, and that within three years after its completion every note of censure was hushed, and every voice echoed the meed of applause accorded to the authors of that splendid monument of patriotic perseverance in well doing. That that improvement, the first year after it was finished, produced \$805,732 34 in the item of tolls, and in the sixth year, \$1,223,802, being an annual average increase of eleven and two tenths per cent, furnishing the most incontestible evidence that a few years operations will not only refund the cost of construction, and extinguish the state debt, but pour into the treasury millions of revenue, to be applied to future improvement, either physical or mental; a sum undoubtedly sufficient, if applied to the latter object, to educate every child in the state at the public expense. When, too, it is recollected that the infant state of Ohio, within the memory of the middle aged among us, a desolate and apparently an impenetrable wilderness, the silent and undisturbed abode of the wolf, the panther, and the red man of the forest, has, since the adoption of the policy of New York, doubled her population, trebled the value of her lands and agricultural productions, and quadrupled her national importance and political influence, treading, as she does, upon the heels of "the key stone state." When we recur to the Schuylkill navigation, an improvement located in a *coal region*, (and therefore a better test of the

anticipated fruits of the Pennsylvania canals than the improvements in our sister states,) and contemplate the astonishing results of an investment there, of between two and three millions, the annual average increase of tolls being thirty-six per cent., and the stocks of the company steadily rising in the market, to *one hundred and four per cent. above the original par value*; when we call to mind the unexampled receipts on the Delaware division, during the short period of its operations, in consequence of its connection with the mining business of the Lehigh Coal company; when we examine the facts in relation to the Delaware and Hudson Canal company, another improvement designed for the development of our mineral wealth, and find that it transmits *daily* six hundred tons of coal, *annually* distributing among our citizens six hundred thousand dollars, drawn from the bowels of a barren mountain; that the company is only prevented from distributing treble, nay, ten times that amount of the "necessaries and comforts of life," by a deficiency of water for its canal, and the limited capacity of a rail road section, in its improvements; the company's stocks eighteen or twenty per cent. above par, and still rising, with a fair prospect of rivalling the Schuylkill navigation company, in profits and prosperity. When your committee take into consideration the former exemption of the people from the burthens of direct taxation; that for thirty years previous to the late revenue acts, not a farthing had been required by the government; that when the general government made a requisition of more than three hundred and ten thousand dollars, the amount was promptly supplied from the state treasury, and the people were not required to refund it; that most of the states of the Union resort to direct taxation for the ordinary expenses of government; that Pennsylvania has, on the contrary, from her ordinary revenue, borne all the expenses of state government, met the requisitions of the United States, and appropriated more than half a million of dollars to roads, bridges, and other local improvements; that the taxes imposed by the acts of 1830, are little more than nominal—much less than the taxes of Ohio, or New York, or any other state engaged in a general system, for the improvement of its condition; that these impositions are but temporary, and for the purpose of sustaining a work of incalculable importance to the community; that our debt is in fact an *investment*, and not an expenditure, like most national debts, incurred in unnecessary wars and bloody crusades against the rights of man, and therefore that the moneys raised under our revenue laws, should be viewed in the light of a trifling rent, or consideration, paid, for the use of a valuable improvement, and the expenses of collection only, should be set down to the account of *taxes* or burthens imposed on the people by way of temporary loan, to be repaired "*an hundred fold*;" and finally, when we perceive that the cautious, lynx eyed capitalist, wherever found, whether domiciled in Europe or America, has the most unshaken confidence in the responsibility of the state, and the sound policy of its investments, as is evinced by the avidity with which our loans are sought, knowing, as he must, that the resources of Pennsylvania are un-

exhausted and inexhaustible, your committee presumes it will be justified in assuming, that the original design is to be carried on to completion—that the nuptials of the waters are to be consummated.

If we are indeed mistaken in this conclusion, if our improvements are not to be pushed, beyond the ground already broken, if we have toiled so long, and expended so much, to recede and excite the scorn and ridicule of the adjoining states, to construct a *local* improvement; to accommodate a *neighborhood* business, if in truth, the *Pennsylvanian* system is to be abandoned, then have we been engaged in a most unprofitable project; then, have we entailed *perpetual* taxation on ourselves for no adequate purposes, no corresponding benefit; then, have we sold our birth right, wasted our inheritance, with no redeeming security, against sore humiliation, and deep repentance. Then have all the exertions of our patriots, disappeared like the morning dew, and all the splendid prospects of Pennsylvania, vanished, “like the baseless fabric of a vision.” In that event, this report will be found decidedly erroneous in many of its bearings. It has been calculated to a different meridian. The subject has been viewed in a different aspect. Notwithstanding the opposition raised, by the terrors of the weak, the apprehensions of the timid, and the machinations of the factious, your committee cannot adopt the opinion, that Pennsylvania, heretofore foremost in the march of improvement, will hesitate, falter, and finally retrograde, in a course of policy essential to the prosperity, the character, and the best interests of the commonwealth, and strongly engrafted on the affections of the people.

In estimating the debts due the commonwealth for lands, it is difficult to find any certain data, on which to found a calculation, and we have been obliged to adopt, what is believed to be a medium of all the former estimates. The revenues, derivable from that source, are rapidly diminishing, and it is feared, will shortly disappear, if indulgence be much longer extended to the holders of unpatented lands. And it would seem partial and unjust, further to extend indulgence to the wealthy sections of the state, where the lands have been enjoyed, from forty to eighty years, without the payment of the purchase money, the lands in the mean time, having greatly advanced in value. When by subsequent laws, the citizens of the newer and poorer counties, have been required to pay in advance, for their lands—especially as the citizens of the new counties, are now taxed, to supply that deficiency in the treasury, caused by withholding the purchase money of the lands, in the old and rich counties.

The estimated value of the public improvements, in the tabular statement A, may startle, at first view, but the committee indulge the hope, that when the tabular statements B and C, are examined, and the principles, upon which they have been formed, are subjected to the most rigid tests, the estimate will appear to be a safe one, resulting from fair comparison and arithmetical deduction.

The completion of the state improvements, would, it is believed, give such an additional impetus to national industry and active

business as to render your turnpike stocks, after that event, an available source of revenue, and increase rather than diminish the receipts from the roads. Such undoubtedly has been the effect of the construction of the Erie canal, parallel and near to the great leading turnpikes of the state of New York. Pennsylvania possesses abundance of mineral wealth, those crude and ponderous substances the best calculated to furnish employment for canals, while the state of New York possesses comparatively few, and the committee, for the purpose of satisfying the incredulous, and submitting a safe estimate, have discarded this advantage, together with the difference in extent of our canals over those of New York, as also the discouraging effects of the unusual ice flood of the last season, and have instituted a comparison in the tabular statements B and C, founded on the actual operations and tolls of the improvements of the respective states.

It will be perceived, in those statements that the estimated tolls the first year after the completion of the Pennsylvania canals, are \$508,732 00, which sum is found by the following mathematical process. The aggregate amount of tolls actually received on the New York canals for the three first years in which tolls were charged, and while those canals were in an unfinished state, was \$93,896 11. The aggregate amount of tolls actually received on the Pennsylvania canals for the three first years in which tolls were charged, and while those canals were in an unfinished state, was \$120,503 30. The amount of tolls actually received on the New York canals, the first year after they were finished, was \$750,759; thus we have three given terms to find a proportional fourth term, by a familiar arithmetical process. As the aggregate receipts of the three first years are to the amount in the first year after the New York canals were finished, so are the aggregate receipts of the first three years on the Pennsylvania canals to the amount that will be received the first year after those canals shall have been finished; which is the aforesaid sum of \$805,732; which sum is made the first term in the statements B and C; then adopting the average annual increase of the New York canals, and the eighth year's operations after the completion of the Pennsylvania canals, will produce \$1,608,386. A sum more than sufficient to meet the interest of thirty millions. The same legitimate comparison with the Schuylkill navigation, a coal region improvement, as exhibited in statement C, produces a result almost incredible, and yet we have not been able to detect any error in the principles which have led to the flattering conclusion.

By a reference to statement D, it will be perceived that the estimated balance in the treasury on the 31st day of October, 1833, amounts to \$487,791 29; this is upon the supposition that all the loans of the present session shall have been called in before that day. Should this not be the case, the balance will be less by the difference between the interest and the premium on that portion of the loans not called in. And should further indulgence be extended to the holders of unpatented lands, as proposed by a bill now pending for that purpose, it is feared that the condition of the treasury will be injuriously affected by the measure.

STATEMENT A.

Whole amount of the state debt, including the loans and subscriptions for Union Canal stock of the present session, to the 12th March, 1833.

Loans for canal and rail road purposes,	\$18,405,661 88
Loans not pertaining to canals and rail roads,	1,840,000 00
Debts due to bridges, turnpikes, and miscellaneous objects,	229,966 76
Union Canal subscription, bearing an interest of 4½ per cent.	200,000 00
	<hr/>
	\$20,675,627 64

Public property of the Commonwealth.

Bank stock,	\$2,108,700 00
Turnpike stock,	2,060,100 00
Canal stock,	400,000 00
Bridge stock,	420,800 00
Due to the state for lands, (estimated)	2,000,000 00
Present value of the Pennsylvania canals and rail roads, on the supposition that they are to be finished, agreeable to the original design, (estimated)	25,000,000 00
	<hr/>
	\$31,989,600 00
Deduct the public debt,	20,675,627 64
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Property of the commonwealth, above the amount of the public debt, \$11,313,972 36

STATEMENT B.

Statement, shewing the estimated increase of tolls on the Pennsylvania canals and rail roads, for the first seven years after they shall have been completed, calculated from the actual operations of the New York canals, for six successive years, commencing with the year 1826, (the first year after they were finished,) and ending with the year 1831, both inclusive, the average annual increase being eleven and two tenths per centum.

New York canals.

\$750,759
848,759
897,265
771,685
1,059,922
1,223,802

Penn'a. canals & rail roads:

\$805,732	1st year after finished
910,477	2d
962,374	3d
829,642	4th
1,111,720	5th
1,300,712	6th
1,446,391	7th
1,608,386	8th

STATEMENT C.

Table, shewing the estimated increase of tolls on the Pennsylvania canals and rail-roads, the first six years after they shall have been completed, calculated from the actual increase on the Schuyl-

kill navigation, during the six successive years ending with the year 1832, the annual average increase being 36 per cent.

Schuylkill Navigation.	Pennsylvania Canals and Rail-roads.	
\$43,108 77	\$805,732	1st year after finished.
58,149 74	1,095,795	2d.
87,171	1,490,281	3d.
120,039	2,026,782	4th.
148,165 95	2,756,423	5th.
134,005 92	3,748,745	6th.
240,455 78	5,098,293	7th.

STATEMENT D.

An estimate of the receipts and payments at the treasury, during the present fiscal year, ending on the 31st of October, 1833.

Receipts.

Permanent loans	\$3,668,680 00
Premium on do.	514,094 14
Lands and land office fees	70,000
Auction commissions	16,000
Auction duties	120,000
Dividends on bank stock	128,000
Dividends on canal, bridge and turnpike stock,	23,000
Tax on bank dividends	43,000
Tax on offices	12,000
Tavern licenses	58,000
Retailers' licenses	70,000
State maps	300
Pamphlet laws	80
Collateral inheritances	65,000
Militia and exempt fines	1,500
Canal tolls	200,000
Tin and clock pedlers' licenses	3,500
Escheats	1,000
Tax on writs, &c.	20,000
Old debts and miscellaneous	1,000
County rates and levies, 1832,	124,244
Tax on personal property, 1832,	38,261
Fees of the Secretary's office	500
County rates and levies, 1833,	70,000
Tax on personal property, 1833,	11,000
Girard Bank bonus	25,000
Western Bank of Philadelphia do.	25,000
Manufacturers' and Mechanics' Bank of N. Liberties	15,000
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	\$5,320,159 14
Add the balance in the treasury on the 1st No-	
vember, 1832,	117,167 16
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Payments.

Commissioners of the fund for canal and rail road purposes,	\$5,437,326 30
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	\$3,138,680

Ordinary repairs on canals and rail roads,	150,000
New works and improvements on old lines,	280,000
Damages by canals and rail roads,	100,000
Interest on loans,	726,150 18
Turnpikes, roads, bridges, &c.	44,282 67
Expenses of government,	210,000
Militia expenses,	20,000
Court martial expenses,	500
Pensions and gratuities,	27,000
Education,	4,000
Penitentiary at Pittsburg,	31,000
do at Philadelphia,	69,045
Conveying convicts and fugitives,	2,000
Miscellaneous,	6,000
House of Refuge,	5,000
To refund canal treasury,	135,897 16

\$4,949,535 01

Receipts for the current year brought forward,	\$5,437,326 30
Deduct payments,	4,949,535 01

Balance in the treasury 31st October, 1833, \$487,791 29

It only remains, to explain the reasons, of the delay till the present time, of this report. It has heretofore been desirable, to have an early report from the committee of ways and means, that the Legislature might act with a full knowledge of the state of the finances. But since the passage of the act of the 16th March, 1832, "requiring the State Treasurer to make an annual report on the subject of finance," the reasons for an early report, from the committee, have ceased to operate. In pursuance of that act, the State Treasurer made a full report, on the 6th day of December last, giving an account of the fiscal operations of the government, more in detail, than could have been done, by the committee, at the commencement of the session. That report, however, did not anticipate the new liabilities, that might be incurred, during the present session. A report from the committee, not embracing the important acts of the Legislature, subsequent to the Treasurer's report, would have been an idle ceremony; as it would not have furnished any additional light on the subject. Since the passage of the act of March last, it is expedient to delay the report of the committee till near the close of the session, in order that the large appropriations of the current session may be taken into consideration. The committee have embraced in this report the liabilities incurred by the legislation of this session down to the 12th of March, inst. together with one important bill, which has not yet passed, to wit, bill No. 297, as it passed the House of Representatives, authorizing the loan and appropriation of \$530,000. The probability is so strong of its passage in some shape, not materially varying from the said sum, that it was thought advisable to include it in the estimates.